Nintendo®

Merchandising Department Overview

Presented:
December 2003

Merchandising Department Key Functions

- Display Order Entry/Shipping
- POP Orders/Shipping
- International Display Orders
- Special Promotions ie., presell, endcaps
- Store Planograms
- POP Support
- Interactive Software Updates
- Development, Design, Production and Distribution of Temporary, Semi-Permanent and Permanent Displays.
- E3 Merchandising Booth Plan Design and Execution

Merchandising Objectives

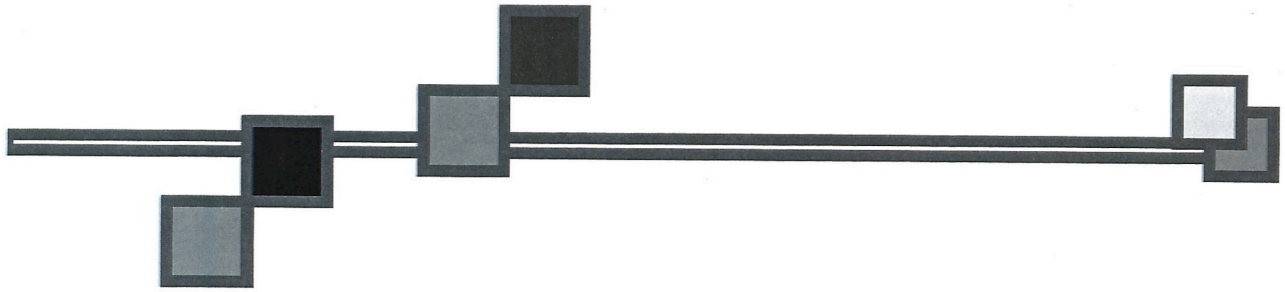
- **Strengthen Nintendo's visual presence at retail. Appeal to a broader demographic.**
- **Produce innovative and dynamic displays and P.O.S materials to aide in the sale of product.**
- **Incorporate corporate marketing messages into retail environment.**
- **Present retailers with a wider range of display options, to create incremental space for Nintendo products.**

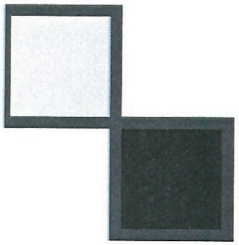
Strategies

- Produce more branding P.O.S materials vs. software specific
  - Incorporate new branding colors. Remove red branded image.
- Customize P.O.S materials to meet specific retailer needs.
- Promote Nintendo brands at retail by producing more semi-permanent and permanent displays vs. temporary.
  - Example; Pallet displays, End Cap programs.
- Produce and distribute product education pieces.

Accomplishments 2003

- **New approach to display design netted a unique and dynamic interactive for AGB SP launch.**
- **Strengthened display vendor base, to add stronger creative element and to gain cost efficiencies.**
- **Rolled out new branding image at top 15 Retailers.**
  - Incorporated new corporate color pallet to create a more 'hi-tech' look and appeal to a wider demographic.
- **Developed, produced and distributed POS materials for 34 launches.**
  - 9 AGB software, 13 GCN software, 4 GCN hardware, 1 AGS Hardware, 7 Accessory.
- **Designed a Merchandising booth for E3 that introduced a number of new display concepts. The booth was produced for $180k less than previous years and succeeded in being Retailer friendly and creating a 'store environment' feel.**
  - An example of the concepts that translated to placement at retail.
    - Pallet displays – Shipped and placed at Circuit City and Best Buy in October (first pallet program with Best Buy)
    - End Cap Programs – Produced and implemented end cap programs at Target and Circuit City





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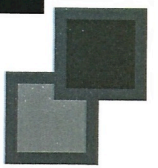
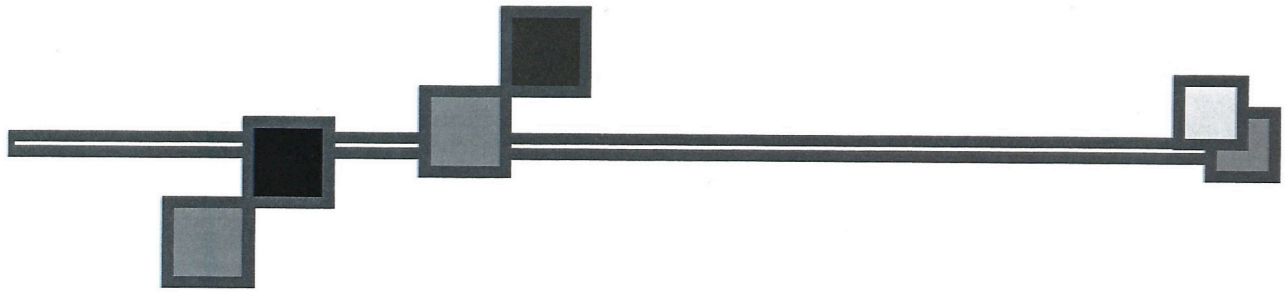
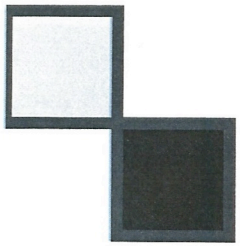


GAME BOY® ADVANCE





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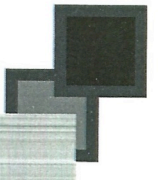


GAME BOY® ADVANCE

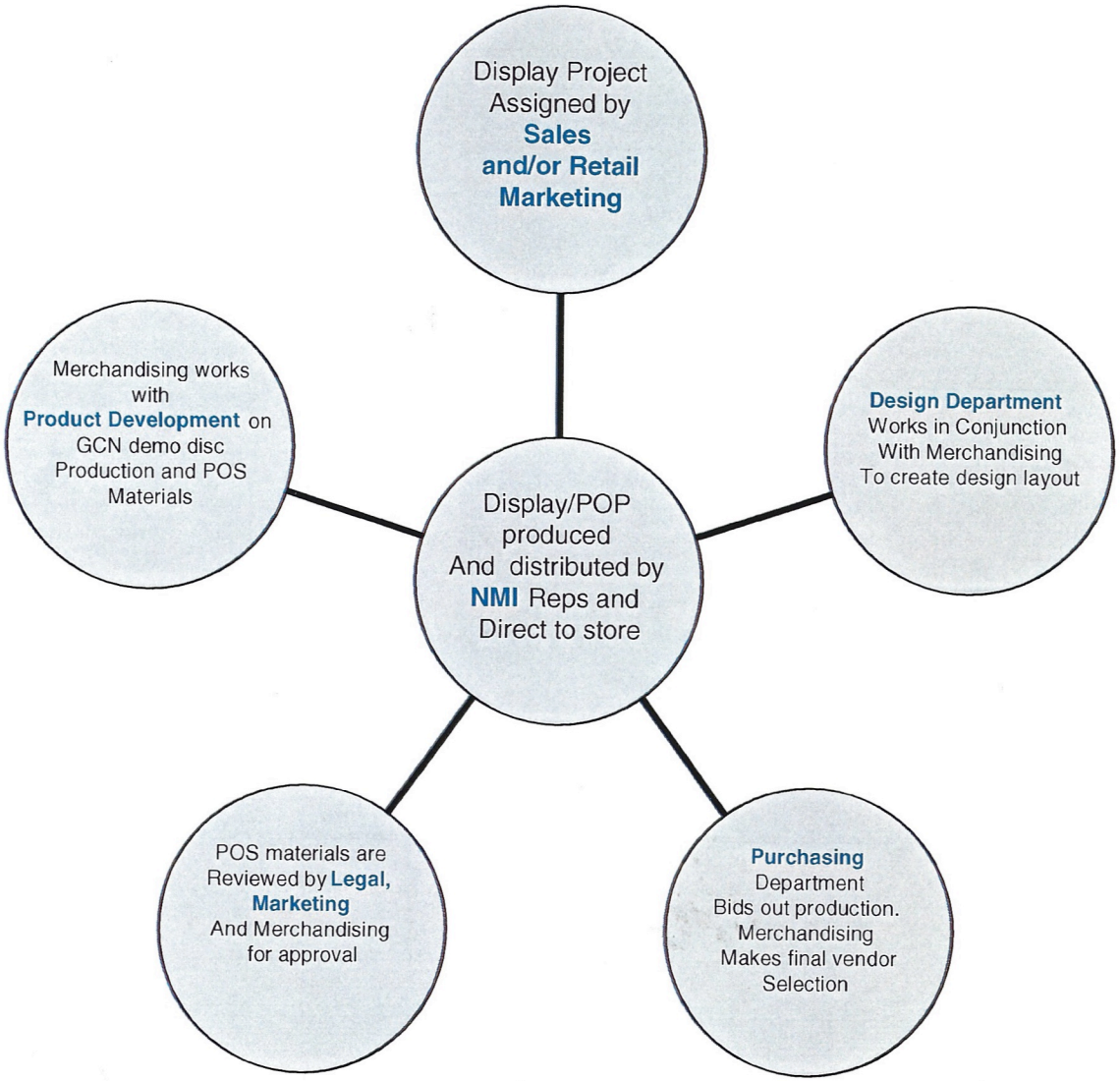
Before

After

MERCHANDISING
FORWARD

GAME BOY ADVANCE
MARIOKART
Double Dash!!
GAME BOY ADVANCE
GAME BOY ADVANCE
GAME BOY PLAYER

Display and P.O.P Development


Display Project Assigned by **Sales and/or Retail Marketing**
Merchandising works with **Product Development** on GCN demo disc Production and POS Materials
Design Department Works in Conjunction With Merchandising To create design layout
Display/POP produced And distributed by **NMI** Reps and Direct to store
POS materials are Reviewed by **Legal, Marketing** And Merchandising for approval
Purchasing Department Bids out production. Merchandising Makes final vendor Selection

Challenges

- Retailers limiting the amount of POP allowed in store.
  - Walmart, Target, Toys R Us
- Obtaining dynamic artwork from NCL for POP layout and design.
- Aggressive competitor POP placement.
- Produce dynamic permanent and semi-permanent displays that are affordable and cost effective.
- Produce displays that appeal to our targeted demographic.

Opportunities

- Continue to customize P.O.P and displays to meet key retailers needs.
- Feature key display initiatives at 2004 E3.
  - Semi-permanent pallet and permanent pallets, prepack displays
- Capitalize on the demand for AGB SP and current spike in GameCube demand, to obtain additional selling space for product.
  - Pallet displays, end cap trays, PDQs, 4-Ways, Publications